

Amended
YEAR 2006

ANNUAL REPORT

OF THE

NAME Utility Solutions, LLC

LOCATION Bozeman, Gallatin County, Montana

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING 12-31-2006

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AMENDED

YEAR 2006

**ANNUAL REPORT
OF THE
UTILITY SOLUTIONS, LLC
BOZEMAN, GALLATIN COUNTY, MONTANA**

**PRIVATE WATER UTILITY
TO THE
PUBLIC SERVICE COMMISSION
OF MONTANA
FOR THE YEAR ENDING DECEMBER 31, 2006**

REPORT OF

UTILITY SOLUTIONS, LLC
P.O. BOX 10098 BOZEMAN, MT 59719

For Year Ended: December 31, 2006
Date Utility First Organized: May 15, 2003
Telephone Number: 406-585-4166

Location where books and records are located: 224 Zoot Way, Bozeman, MT 59718

Contracts:			
Name	Title	Principal Business Address	Salary
Double-Tree, Inc.	manager	P.O. Box 10098 Bozeman, MT 59719	N/A

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business	Salary
Barbara Campbell	45%	P.O. Box 10098 Bozeman, MT 59719	\$0.00
Montana Ventures I, LLC	55%	c/o Guy Graves 201 W. Short St. Lexington, KY 40509	\$0.00

INCOME STATEMENT (WATER)

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential	\$95,681.31	\$0.00
Commercial	\$0.00	\$0.00
Industrial	\$0.00	\$0.00
Other	\$0.00	\$0.00
Unmetered		
Residential	\$0.00	\$0.00
Commercial	\$0.00	\$0.00
Industrial	\$0.00	\$0.00
Fire Protection	\$0.00	\$0.00
Bulk Sales	\$0.00	\$0.00
Sale of Materials	\$0.00	\$0.00
Other: Late Fees	\$24.04	\$0.00
TOTAL GROSS REVENUE	\$95,705.35	\$0.00
Operation and Maintenance Expense	\$106,508.95	\$0.00
Depreciation Expense	\$43,646.00	\$0.00
Taxes Other Than Income	\$0.00	\$0.00
Income Taxes	\$0.00	\$0.00
Deferred Federal Income Taxes	\$0.00	\$0.00
TOTAL OPERATING EXPENSE	\$150,154.95	\$0.00
NET OPERATING INCOME (LOSS)	(\$54,449.60)	\$0.00
Other Income:		
District Contract	\$151,741.54	\$0.00
Expansion Fee	\$7,620.20	\$0.00
	\$159,361.74	\$0.00
Other Deductions:		
Interest Expense	\$33,079.21	\$0.00
District Operations	\$260,224.08	\$0.00
District Depreciation	\$54,208.50	\$0.00
Service Expansion Costs	\$29,434.78	\$0.00
	\$376,946.57	\$0.00
NET INCOME (LOSS)	(\$272,034.43)	\$0.00

COMPARATIVE BALANCE SHEET (WATER)

Account Name	Current Year	Previous Year
Assets:		
Utility Plant In Service	\$992,158.33	\$0.00
Accumulated Depreciation and Amortization	(\$144,522.10)	\$0.00
Net Utility Plant:		
Cash	\$14,203.52	\$0.00
Customer Accounts Receivable	\$4,638.68	\$0.00
Other Assets:		
District Plant in Service	\$3,000,721.41	\$0.00
Accumulated Depreciation	(\$48,724.00)	\$0.00
Accounts Receivable	\$151,741.54	\$0.00
Due from Related Party	\$560,372.40	\$0.00
District Land	\$0.00	\$0.00
Expansion in Progress	\$1,300.00	\$0.00
Other Fixed Assets	\$70,982.71	\$0.00
Accumulated Depreciation	(\$15,083.00)	\$0.00
Total Assets	\$4,587,789.49	\$0.00
Liabilities and Capital:		
Common Stock Issued	\$0.00	\$0.00
Preferred Stock Issued	\$0.00	\$0.00
Other Paid In Capital	\$0.00	\$0.00
Retained Earnings	\$0.00	\$0.00
Proprietary Capital	\$0.00	\$0.00
LLC Members Equity	(\$936,678.37)	\$0.00
Total Capital	(\$936,678.37)	\$0.00
Long Term Debt	\$0.00	\$0.00
Accounts Payable	\$0.00	\$0.00
Notes Payable	\$1,160,769.48	\$0.00
Customer Deposits	\$0.00	\$0.00
Accrued Taxes	\$0.00	\$0.00
Other Liabilities (specify)		
Due to Related Party	\$82,693.69	\$0.00
District Notes Payable	\$3,514,572.29	\$0.00
Total Liabilities	\$4,758,035.46	\$0.00
Advances for Construction	\$0.00	\$0.00
Contributions In Aid Of Construction (non-PSC regulated)	\$766,432.40	\$0.00
Total Liabilities and Capital	\$4,587,789.49	\$0.00

Straight-Line 25 years
Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	\$106,143.60	\$0.00
Credits During Year:	\$0.00	\$0.00
Accruals Charged to Depreciation Account	\$38,378.50	\$0.00
Other Credits (Specify)	\$0.00	\$0.00
Total Credits	\$38,378.50	\$0.00
Debits During Year:		
Book Cost of Plant Retired	\$0.00	\$0.00
Cost of Removal	\$0.00	\$0.00
Other Debits (Specify)	\$0.00	\$0.00
Total Debits	\$0.00	\$0.00
Balance End of Year	\$144,522.10	\$0.00

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report all contractor and developer agreements from which cash was received during the year	Indicate "Cash or Property"	Amount
NON-PSC regulated area		
District PIAC from Developer	Cash	\$766,432.40
Total During Year:		\$766,432.40

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	NONE
State	NONE
Total Accumulated Deferred Income Taxes	\$0.00

CAPITAL STOCK

		Common Stock	Preferred Stock
Par or stated value per share		NONE	
Shares authorized			
Shares issued and outstanding			
Total par value			
Dividends declared per share for year			

RETAINED EARNINGS

		Appropriated	Unappropriated
Balance first of year		NONE	
Changes during year (Specify):			
Balance end of year		0	

PROPRIETARY CAPITAL

			Partner
Balance first of year		(\$664,644.44)	
Changes during year (specify)			
Net (Loss)		(\$272,034.43)	
Balance end of year		(\$936,678.87)	

LONG TERM DEBT

[illegible]

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Yr.	Additions	Retirements	Current Year
301.00	Organization	NA			NA
302.00	Licenses & Permits capitalized	\$102,699.09			\$102,699.09
303.00	Land & Land Rights	\$0.00			\$0.00
304.00	Structures and Improvements	\$0.00			\$0.00
305.00	Collecting and Impounding Reservoirs	NA			NA
306.00	Lake River and Other Intakes	NA			NA
307.00	Wells and Springs	\$0.00			\$0.00
308.00	Infiltration Galleries and Tunnels	\$0.00			\$0.00
309.00	Supply Mains	\$0.00			\$0.00
310.00	Power Generation Equipment	\$0.00			\$0.00
311.00	Pumping Equipment	\$0.00			\$0.00
320.00	Water Treatment Equipment	\$0.00			\$0.00
330.00	Distribution Reservoirs and Standpipes	\$0.00			\$0.00
331.00	Transmission and Distribution Mains	\$889,459.24			\$889,459.24
333.00	Services	\$0.00			\$0.00
334.00	Meters and Meter Installations	\$0.00			\$0.00
334.00	Hydrants	\$0.00			\$0.00
339.00	Other Plant and Misc. Equipment	\$0.00			\$0.00
	Subtotal	\$992,158.33			\$992,158.33
340.00	Office Furniture & Equipment	\$2,496.99			\$2,496.99
341.00	Transportation Equipment	\$12,794.50			\$12,794.50
342.00	Stores Equipment	\$0.00			\$0.00
343.00	Tools, Shop & Garage Equipment	\$15,528.00			\$15,528.00
344.00	Laboratory Equipment	\$0.00			\$0.00
345.00	Power Operated Equipment	\$0.00			\$0.00
346.00	Communication Equipment	\$0.00			\$0.00
347.00	Miscellaneous Equipment	\$0.00			\$0.00
348.00	Other Tangible Plant	\$0.00			\$0.00
	TOTAL SEWER PLANT	\$1,022,977.82			\$1,022,977.82

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

Acct No.	Account	Average Service Life in Years	Average Salvage in Percent	Depreciation Rate Applied	Accumulated Depreciation Balance Previous Year	Debits	Credits	Accumulated Depreciation Balance End of Year
302.00	Licenses & Permits capitalized	15.00		Straight Line	\$20,163.60	\$2,800.50		\$22,964.10
303.00	Land & Land Rights	NA		NA	NA			NA
	Structures and Improvements	NA		NA	NA			NA
304.00	Collecting and Impounding Reservoirs	NA		NA	NA			NA
305.00	Collecting and Impounding Reservoirs	NA		NA	NA			NA
306.00	Lake River and Other Intakes	NA		NA	NA			NA
307.00	Wells and Springs	NA		NA	NA			NA
308.00	Infiltration Galleries and Tunnels	NA		NA	NA			NA
309.00	Supply Mains	NA		NA	NA			NA
310.00	Power Generation Equipment	NA		NA	NA			NA
311.00	Pumping Equipment	NA		NA	NA			NA
320.00	Water Treatment Equipment	NA		NA	NA			NA
330.00	Distribution Reservoirs & Standpipes	NA		NA	NA			NA
331.00	Transmission and Distribution Mains	25.00		Straight Line	\$85,980.00	\$35,578.00		\$121,558.00
333.00	Services	NA		NA	NA			NA
334.00	Meters and Meter Installations	NA		NA	NA			NA
334.00	Hydrants	NA		NA	NA			NA
339.00	Other Plant and Misc. Equipment	NA		NA	NA			NA
	Subtotal				\$106,143.60	\$38,378.50	\$0.00	\$144,522.10
340.00	Office Furniture & Equipment	5.00		Straight Line	\$210.50	\$813.00		\$1,023.50
341.00	Transportation Equipment	5.00		Straight Line	\$0.00	\$2,559.00		\$2,559.00
342.00	Stores Equipment	NA		NA	NA			NA
343.00	Tools, Shop & Garage Equipment	7.00		Straight Line	\$1,049.00	\$1,895.50		\$2,944.50
344.00	Laboratory Equipment	NA		NA	NA			NA
345.00	Power Operated Equipment	NA		NA	NA			NA
346.00	Communication Equipment	NA		NA	NA			NA
347.00	Miscellaneous Equipment	NA		NA	NA			NA
348.00	Other Tangible Plant	NA		NA	NA			NA
	TOTAL WATER PLANT				\$107,403.10	\$43,646.00	\$0.00	\$151,049.10

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	\$0.00
Salaries and Wages - Officers, Directors, and Majority Stockholders	\$0.00
Employee Pensions and Benefits	\$0.00
Purchased Water	\$0.00
Purchased Power	\$8,482.24
Fuel for Power Production	\$160.42
Chemicals	\$0.00
Materials and Supplies	\$872.77
Contractual Services	\$1,250.00
Transportation Expense	\$238.94
Insurance Expense	\$4,642.47
Regulatory Commission Expense	\$0.00
Bad Debt Expense	\$0.00
Other Expenses:	
Equipment rental	\$1,920.00
Management Fee	\$51,239.46
Professional Fees	\$24,660.50
Maintenance Expense	\$0.00
Other Expenses	\$13,042.15
Total	\$106,508.95

PAYMENT FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Name of Recipient	Amount	Description of Service
Eric Campbell	\$2,249.41	testing
Lawrence J. Van Dyke	\$2,640.00	vehicle rental
Ronald Woods	\$1,250.00	rate consulting

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. 2 Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
<u>8</u>	<u>27,117</u>	<u>Ø</u>	<u>27,117</u>	<u>Ø</u>	<u>Ø</u>	<u>Ø</u>	<u>27,117</u>
Total	<u>27,117</u>	<u>Ø</u>	<u>27,117</u>	<u>Ø</u>	<u>Ø</u>	<u>Ø</u>	<u>27,117</u>

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs 1 Capacity in Gallons 246,000
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification none

SERVICES AND METERS

Services 3/4
 1/2 in. 5/8 in. 1 in. 1 1/2 in. 2 in. 3 in. 4 in. 6 in. _____

 Meters 235 _____

NUMBER AND CLASSIFICATION OF CONSUMERS

	-Beginning of Year- <u>01/01/2006</u>			-Close of Year- <u>12/31/2006</u>			
Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	<u>202</u>	<u>Ø</u>	<u>202</u>	<u>235</u>	<u>Ø</u>	<u>235</u>	<u>33</u>
Commercial	<u>Ø</u>						
Industrial	<u>Ø</u>						
Fire Hydrants							
Governmental							
All Other							
Total	<u>202</u>		<u>202</u>	<u>235</u>		<u>235</u>	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year 36,295,000 gals.
 Maximum Water obtained all methods during any one day 305,000 gals.
 Minimum Amount of Water obtained all methods during one day 31,000 gals.
 Total Amount of Water passed through customers meters during year 35,196,000 gals.
 Range of ordinary pressure on mains 55 lbs. to 70 lbs.
 Range of fire pressure in mains 55 lbs. to 70 lbs.

STATE OF MONTANA)
County of GALLATIN)

We, the undersigned, on our oath do severally say that the foregoing return that UTILITY SOLUTIONS, LLC, water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Barbara Campbell
Utility Solutions, LLC

Subscribed and sworn to before me this 27th day of July, 2007.

Kristene L. Vandersloot

Kristene L. Vandersloot

Notary Public for the State of Montana

Residing at Bozeman

My commission expires August 31, 2008.

